9M2012
EARNINGS REPORT

Gerald Desmond Bridge in Port of Long Beach, Los Angeles (USA)

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1. HIGHLIGHTS

Spanish city and regional governments' Supplier Payment Plans

Two Royal Decrees were approved in the first quarter of 2012 to regularise the debts owed by regional and local governments to their suppliers. As Spain's leading municipal services group and its second-largest infrastructure company in terms of revenues, FCC had collected 1,236 million euro in outstanding invoices by 30 September 2012.

FCC, the first Spanish company to be awarded a water management contract in the United Arab Emirates

FCC subsidiary Aqualia was awarded a contract in January to manage the sewage and water treatment system in eastern Abu Dhabi. This contract includes the operation and maintenance of more than 2,400 km of sewers, 68 wastewater pumping stations and 19 wastewater treatment plants in the city of Al Ain.

In Spain, Aqualia renewed existing contracts and obtained new contracts amounting to 554.4 million euro to provide end-to-end water management and related infrastructure services.

Aqualia is also in charge of the EU project "ALL Gas", which aims to obtain biofuels from wastewater treatment; the project is aligned with the EU's commitment to research with a view to discovering new sources of clean energies, which has a budget of over 12 million euro.

FCC strengthened its environmental services backlog with new waste collection and treatment contracts

Buckinghamshire (UK) awarded FCC Environment a 30-year contract worth 350 million euro to provide waste management services. The project includes the construction and commissioning of an energy-from-waste (EfW) plant, with capacity to treat more than 300,000 tonnes of waste per year and a generating capacity of 22 MW.

FCC reinforces its internationalisation with a new construction contract in the US

The California Transportation Commission has awarded the 145 million euro (attributable amount) of contract to design and build a replacement for the Gerald Desmond Bridge in the Port of Long Beach, to a joint venture including FCC.

FCC is currently building major bridges such as the Vidin-Calafat bridge linking Bulgaria and Romania, the San Marcos viaduct in Mexico (the world's second-tallest bridge), the Lauter Valley bridge in Germany, the new access bridge to Panama's Centennial Bridge, and the Kafjord bridge in Norway.

FCC maintains its leading position in railway works with new contracts in Spain

Adif, Spain's national railway infrastructure company, awarded FCC two new contracts in August worth a total of more than 123 million euro. These include a section of the north-northwest high-speed rail corridor, for 97.8 million euro, and the first phase of the new high-speed railway station in Girona, for 25 million euro.

Other notable contracts obtained in previous quarters include several adjudications in Algeria totalling more than 2 billion euro; the construction of two tunnels and the Highway 407 station on the Toronto subway (Canada) for 269 million euro; three sections of Romania's Simeria Braşov line for 830 million euro in total as well as a section in Line 5 in Bucharest’s subway amounting to 267 million euro; and Olsztyn tramway (north of Warsaw) for 62.5 million euro. Additionally, Alpine, which heads the group's businesses in Central Europe, obtained a combined road-rail contract worth 170 million euro.

The cement division implements its New Val industrial plan for 2012-2013

CPV, the listed company which heads the FCC Group's cement division, commenced the operational restructuring plan, entitled New Val, in the third quarter; the plan was drafted during the first half of 2012 and will run until the end of 2013. The objective is to adapt CPV's operating structure to the market situation. The strategy seeks to increase EBITDA by 80 million euro per year, mainly by tailoring production capacity in Spain.

The company also successfully closed a refinancing agreement in July, which ensures its full financial independence and stability in the long term.

FCC signs two syndicated loans totalling 946 million euro

In March and July, FCC completed the refinancing of two 3-year syndicated loans totalling 946 million euro (438 and 508 million euro, respectively) with a large syndicate of banks. These loans will enable the company to complete the calendar of significant refinancing that remains for the year.

FCC sells its airport handling activities

In May, FCC reached an agreement to sell Flightcare, its handling business in Spain and Belgium, to Swissport for 128.3 million euro of enterprise value. The transaction was completed on 11 September.

2. EXECUTIVE SUMMARY

- **Revenues from outside Spain expanded by 6.6%** and accounted for **57% of the total**.
- **EBITDA** in **Environmental Services** amounted to **64.8% of the total** contributed by the business areas.
- **Net attributable profit** amounted to **40.1 million** euro.
- **Net interest-bearing debt declined by 10.6%** year-on-year to 7,241.5 million euro.

Earnings in the first nine months of 2012 reflect progress with internationalisation, as revenues from outside Spain expanded by 6.6%, offsetting the sharp decline in infrastructure-related demand in Spain.

The Environmental Services division, which is recurrent in nature, expanded revenues by 3.2% while EBITDA declined by just 0.3% due to volatility in industrial waste volumes and prices; as a result, this division accounts for 64.8% of total Group EBITDA. Construction revenues declined by 4.6% since business growth outside Spain (+5.4%) only partially offset the cycle downturn in Spain. As a result, consolidated EBITDA declined by 18.5%, i.e. by less than in the first half of the year, due to the combination of lower construction demand in Spain and the impact of the implementation of a strategic plan to increase the profitability and results of international construction projects, which included a notable reorganisation of markets and which led to a temporary decline in revenues and earnings.

Lower depreciation and amortisation and other operating income together with lower taxes and higher income from discontinued operations partially offset the decline in EBITDA and income from equity-accounted affiliates and the increase in expenses associated with other financial income that have no cash impact; as a result, net attributable profit amounted to 40.1 million euro in the period.

ASSETS DESIGNATED AS DISCONTINUED OPERATIONS:

The assets and liabilities corresponding to FCC Energy are designated as "discontinued operations" since September 2011 and are classified under assets and liabilities available for sale (Note 5.2). The assets and liabilities related to the Giant Cement sub-group (the cement area's main company in the US) have been reclassified as continuing operations; to this end, and to enable comparison, the income statement and cash flow statement for the first nine months of 2011 have been restated accordingly.

KEY FIGURES

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Net sales*	8,227.3	8,544.5	-3.7%
EBITDA*	776.9	953.5	-18.5%
EBITDA margin	*9.4%*	*11.2%*	*-1.7 p.p.*
EBIT	329.5	482.3	-31.7%
EBIT margin	*4.0%*	*5.6%*	*-1.6 p.p.*
Income attributable to equity holders of the parent company	40.1	178.1	-77.5%
Operating cash flow	268.9	(184.7)	N.A.
Investing cash flow	(245.5)	(310.8)	-21.0%
Equity (excl. non-controlling interests)	2,337.2	2,544.2	-8.1%
Net interest-bearing debt	7,241.5	8,103.4	-10.6%

**In like-for-like terms, the change is -2.7% in revenues and -15.6% in EBITDA*

3. SUMMARY BY BUSINESS AREA

Area	Sept. 12	Sept. 11	Chg. (%)	% of 2012 total	% of 2011 total
(million euro)					
REVENUES BY BUSINESS AREA					
Environmental services	2,858.8	2,771.2	3.2%	34.7%	32.4%
Construction	4,439.6	4,654.4	-4.6%	54.0%	54.5%
Cement	505.0	585.6	-13.8%	6.1%	6.9%
Versia	455.7	570.8	-20.2%	5.5%	6.7%
Corporate and adjustments	(31.8)	(37.5)	-15.2%	-0.4%	-0.4%
Total	**8,227.3**	**8,544.5**	**-3.7%**	**100.0%**	**100.0%**
REVENUES BY GEOGRAPHIC AREA					
Spain	3,538.3	4,145.2	-14.6%	43.0%	48.5%
Austria and Germany	1,663.9	1,706.6	-2.5%	20.2%	20.0%
Eastern Europe	831.5	948.7	-12.3%	10.1%	11.1%
United Kingdom	648.1	566.4	14.4%	7.9%	6.6%
Rest of Europe	456.3	463.7	-1.6%	5.5%	5.4%
America and others	1,089.2	714.0	52.6%	13.2%	8.4%
Total	**8,227.3**	**8,544.5**	**-3.7%**	**100.0%**	**100.0%**
EBITDA					
Environmental services	503.1	504.8	-0.3%	64.8%	52.9%
Construction	113.3	231.0	-51.0%	14.6%	24.2%
Cement	65.2	134.8	-51.6%	8.4%	14.1%
Versia	46.4	83.0	-44.1%	6.0%	8.7%
Corp. and adjustments	48.9	(0.1)	N.A.	6.3%	0.0%
Total	**776.9**	**953.5**	**-18.5%**	**100.0%**	**100.0%**
EBIT					
Environmental services	271.7	266.7	1.9%	82.5%	55.3%
Construction	52.0	157.9	-67.1%	15.8%	32.7%
Cement	(70.2)	31.6	N.A.	-21.3%	6.6%
Versia	29.9	11.1	168.7%	9.1%	2.3%
Corp. and adjustments	46.1	15.0	N.A.	14.0%	3.1%
Total	**329.5**	**482.3**	**-31.7%**	**100.0%**	**100.0%**
NET DEBT					
Environmental services	3,889.4	4,532.0	-14.2%	53.7%	55.6%
Construction	1,412.9	1,203.7	17.4%	19.5%	14.8%
Cement	1,278.7	1,293.9	-1.2%	17.7%	15.9%
Versia	98.4	283.8	-65.3%	1.4%	3.4%
Corp. and adjustments*	562.1	835.0	-32.7	7.8%	10.3%
Total	**7,241.5**	**8,103.4**	**-10.6%**	**100.0%**	**100,0%**

Area	Sept. 12	Dec. 11	Chg. (%)	% of 2012 total	% of 2011 total
(million euro)					
BACKLOG					
Environmental services	25,170.9	25,719.4	-2.1%	73.7%	73.0%
Construction	8,973.3	9,518.2	-5.7%	26.3%	27.0%
Total	**34,144.2**	**35,237.6**	**-3.1%**	**100.0%**	**100.0%**

** Parent company and adjustments includes funding of the stakes in Globalvia and FCC Energy.*

4. INCOME STATEMENT

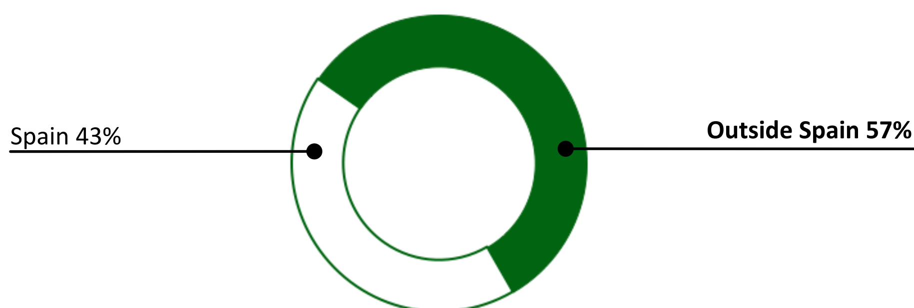
(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Net sales	**8,227.3**	**8,544.5**	**-3.7%**
EBITDA	**776.9**	**953.5**	**-18.5%**
EBITDA margin	***9.4%***	***11.2%***	***-1.7 p.p.***
Depreciation and amortisation	(462.8)	(494.9)	-6.5%
Other operating income	15.4	23.6	-34.7%
EBIT	**329.5**	**482.3**	**-31.7%**
EBIT margin	***4.0%***	***5.6%***	***-1.6 p.p.***
Financial income	(322.5)	(303.6)	6.2%
Other financial results	(31.0)	18.3	N.A.
Equity-accounted affiliates	(10.5)	38.8	-127.1%
Earnings before taxes (EBT) from continuing activities	**(34.7)**	**235.8**	**-114.7%**
Corporate income tax expense	22.7	(47.0)	-148.3%
Income from continuing operations	**(12.0)**	**188.8**	-106.4%
Income from discontinued operations	11.6	(13.1)	-188.5%
Net profit	**(0.4)**	**175.8**	-100.2%
Non-controlling interests	40.5	2.3	N.A.
Income attributable to equity holders of the parent company	**40.1**	**178.1**	**-77.5%**

4.1 Revenues

Revenues amounted to 8,227.3 million euro in the first nine months of 2012, i.e. 3.7% less than in the same period of 2011, due to weak infrastructure demand in Spain and to the implementation of the plan to concentrate international construction in central and eastern Europe into domestic markets (central Europe), and selectively in markets with high returns and potential.

Revenues outside Spain increased by 6.6%, boosted by Construction activities in selected new markets and by the Environmental Services division, which offset the 14.6% reduction in revenues in Spain, attributable mainly to the Cement and Construction businesses.

% Revenues by region



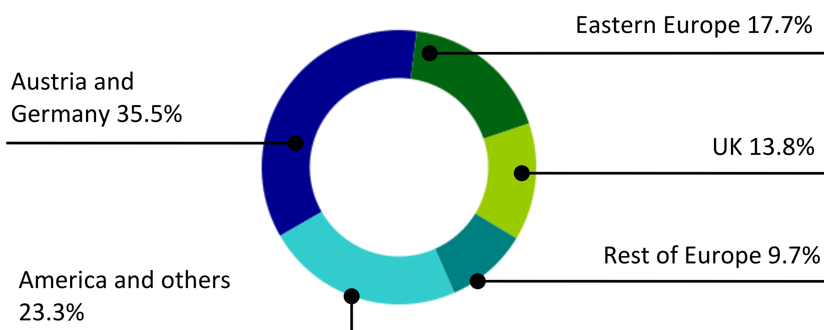
International revenues set a new record, accounting for 57% of total. In year-on-year terms, business in other domestic markets (excluding Spain) and selected new markets expanded by 5.5 percentage points, vindicating the Group's ongoing internationalisation strategy.

By geographic area, growth was notable in America and in other new markets, where revenues increased by 52.6% with respect to the same period of 2011 due to progress with large infrastructure projects and to the good performance of the urban furniture business in the US. Revenues in the United Kingdom increased by 14.4%, mainly driven by the construction of a new waste treatment plant and a number of infrastructure projects. In contrast, revenues declined by 12.3% in Eastern Europe due to the implementation of the plan to restructure and concentrate the construction business, which is independent of the good performance by the environmental management business in the area during the period.

International Revenue Breakdown

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Austria and Germany	1,663.9	1,706.6	-2.5%
Eastern Europe	831.5	948.7	-12.3%
United Kingdom	648.1	566.4	14.4%
Rest of Europe	456.3	463.7	-1.6%
America and others	1,089.2	714.0	52.6%
Total	**4,689.0**	**4,399.3**	**6.6%**

% International Revenues by Geographic Area



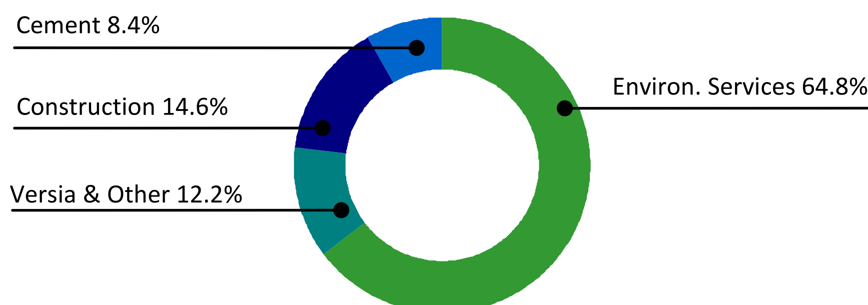
4.2 EBITDA

EBITDA totalled 776.9 million euro in the first nine months of 2012, i.e. 18.5% less than in the same period of 2011 (-15.6% in like-for-like terms, adjusted for the divestment of Versia assets), due mainly to the temporary impact of the sharp adjustment in the International Construction business resulting from the strategic reorganisation in Eastern Europe together with weak Cement demand in Spain; the figure does not yet reflect the positive effect of the operating restructuring plan implemented in the second half of the year.

The parent company obtained a notable 48.9 million euro in EBITDA, which includes the release of provisions booked in previous years in anticipation of risks associated with foreign expansion, as in the case of the construction area in Eastern Europe.

Additionally, the Environmental Services area, which is a recurrent and increasingly important business, expanded to account for 64.8% of the total contributed by the business areas.

EBITDA by business area



EBITDA also includes lesser components, including notably 9 million euro in restructuring costs.

4.3 EBIT

The depreciation and amortisation charge amounted to 462.8 million euro in 9M12, i.e. 6.5% less than in 9M11, due to the lower use of assets. The consolidation of Cement assets in the US that were previously booked as available-for-sale required the recognition of depreciation and amortisation charges not only for 2012, but also for the second half of 2011 (when those assets were booked as AFS), which amounted to 13.1 million euro that period.

Depreciation includes 58.7 million euro for the depreciation of assets that were stepped up on consolidation in the FCC Group (58.8 million euro in 2011).

"Other operating income" mainly reflects restructuring costs in the Cement area, amounting to 33.9 million euro, most of which are expected to be booked this year, and gains on the sale of the airport handling business, amounting to 45 million euro.

As a result, EBIT amounted to 329.5 million euro in 9M12, i.e. a decline of 31.7% with respect to 9M11.

4.4 Earnings before taxes (EBT) from continuing activities

EBT from continuing activities amounted to -34.7 million euro after including the following items in EBIT:

4.4.1 Financial income

A net financial expense of 322.5 million euro, i.e. 6.2% more than in the same period last year and in line with the trend observed in the previous quarters.

Other financial results totalling -31 million euro, compared with 18.3 million euro in 9M11. The Other financial income item primarily reflects the -48.7 million euro effect of fair value changes in financial instruments and of exchange rate fluctuations, which did not impact cash flow.

4.4.2 Equity-accounted affiliates

The contribution from equity-accounted affiliates amounted to -10.5 million euro in the first nine months of the year, compared with 38.8 million euro in the same period last year. This decrease is due to the negative results from construction affiliates, which amounted to -16.5 million euro, due to the start-up costs of several infrastructure projects outside Spain. Moreover, the combined contribution from GVI and Realia amounted to -13.9 million euro, compared with -1.4 million euro the previous year.

4.5 Income attributable to equity holders of the parent company

Net attributable profit amounted to 40.1 million euro in 9M12, compared with 178.1 million euro in 9M11, after including the following items in EBT:

4.5.1 Corporate income tax expense

The corporate income tax reflects a tax credit of 22.7 million euro, compared with an expense of 47 million euro in the same period of 2011, attributable to the Cement area.

4.5.2 Non-controlling interests

Income attributable to non-controlling interests amounted to a loss of 40.5 million euro (compared with 2.3 million euro in 2011), almost entirely in the Cement division.

FCC Citizen Services

5. BALANCE SHEET

(million euro)	**Sept. 12**	**Dec. 11**	**Change (M€)**
Intangible assets	4,422.2	4,317.0	105.2
Property, plant and equipment	4,943.0	4,636.4	306.6
Equity-accounted affiliates	1,074.1	1,115.7	(41.6)
Non-current financial assets	423.9	462.0	(38.1)
Deferred tax assets and other non-current assets	571.6	542.9	28.7
Non-current assets	**11,434.9**	**11,074.1**	**360.8**
Non-current assets available-for-sale	1,315.8	1,847.0	(531.2)
Inventories	1,313.7	1,271.4	42.3
Trade and other accounts receivable	5,524.1	5,556.7	(32.6)
Other current financial assets	381.5	395.7	(14.2)
Cash and cash equivalents	1,233.8	2,302.6	(1,068.8)
Current assets	**9,768.9**	**11,373.4**	**(1,604.5)**
TOTAL ASSETS	**21,203.8**	**22,447.5**	**(1,243.7)**
Equity attributable to equity holders of parent company	2,337.2	2,378.9	(41.7)
Non-controlling interests	487.1	536.1	(49.0)
Equity	**2,824.3**	**2,915.0**	**(90.7)**
Grants	222.5	159.7	62.8
Long-term provisions	997.0	1,083.1	(86.1)
Long-term interest-bearing debt	5,834.9	4,365.4	1,469.5
Other non-current financial liabilities	666.5	794.9	(128.4)
Deferred tax liabilities and other non-current liabilities	1,248.6	1,132.2	116.4
Non-current liabilities	**8,969.4**	**7,535.3**	**1,434.1**
Liabilities linked to non-current assets available for sale	945.4	1,396.7	(451.3)
Current provisions	181.4	178.9	2.5
Short-term interest-bearing debt	3,020.7	4,607.2	(1,586.5)
Other current financial liabilities	100.2	223.4	(123.2)
Trade and other accounts payable	5,162.4	5,591.0	(428.6)
Current liabilities	**9,410.1**	**11,997.2**	**(2,587.1)**
TOTAL LIABILITIES	**21,203.8**	**22,447.5**	**(1,243.7)**

5.1 Equity-accounted affiliates

The investment in equity-accounted companies (1,074.1 million euro) comprised mainly the following at the end of the first nine months:

1) 414 million euro corresponding to the 50% stake in Globalvia Infraestructuras (GVI).
2) 137.8 million euro corresponding to the 30% stake in Realia.
3) 49 million euro corresponding to concession companies not contributed to GVI.
4) 53.7 million euro corresponding to the 50% stake in the Proactiva group (Environmental Services).
5) 419.6 million euro corresponding to all other stakes in, and loans to, equity-accounted companies.

The carrying value of FCC's holdings in infrastructure concessions amounted to 503.8 million euro at the end of September 2012. That figure includes the value attributable to FCC for its 50% stake in GVI (414 million euro) and the value of its holdings in other concession companies, both equity-accounted (49 million euro) and fully consolidated (40.8 million euro).

5.2 Non-current assets and liabilities available for sale

The 1,315.8 million euro in non-current assets available for sale at 30 September 2012 corresponds in its entirety to FCC Energy, which continues to be classified as a discontinued operation.

This asset has associated liabilities amounting to 945.4 million euro. FCC Energy's net interest-bearing debt to third parties amounted to 666.8 million euro at 30 September.

5.3 Equity

Equity attributable to the parent company amounted to 2,337.2 million euro at the end of the period, equivalent to 20.4 euro per share (adjusted for treasury stock), following allocation of consolidated income for the period (40.1 million euro) and other items, including fair value changes in hedging instruments and dividend payments.

5.4 Net interest-bearing debt

At 30 September 2012, net interest-bearing debt amounted to 7,241.5 million euro, i.e. a decrease of 861.9 million euro (-10.6%) compared with respect to 30 September 2011.

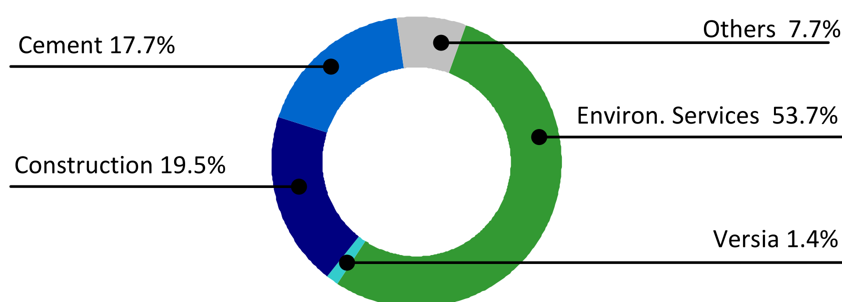
(million euro)	**Sept. 12**	**Sept. 11**	**Change (M€)**
Bank debt	7,445.6	8,264.7	(819,1)
Debt instruments and other loans	1,149.0	714.4	443,6
Accounts payable due to financial leases	69.1	117.2	(48,1)
Derivatives and other financial liabilities	191.9	249.4	(57,5)
Gross interest-bearing debt	**8,855.6**	**9.345,7**	**(490,1)**
Giant Cement reincorporation effect	-	317.7	(317,7)
Cash and other financial assets	(1,614.1)	(1,560.0)	(54,1)
Net interest-bearing debt	**7,241.5**	**8,103.4**	**(861.9)**
With recourse	*5,172.8*	*5,319.2*	(146.4)
Without recourse	*2,068.7*	*2,78.2*	(715.5)

Year-on-year comparison provides a better picture of financial debt performance, since the first part of the year includes a seasonal increase in working capital, which tends to reverse in the last part of it.

As a result, the year-on-year reduction in debt includes an increase in working capital in the first nine months of the year which is notably less than usual, due to the combined effect of three factors that were concentrated in the second quarter of this year. These include the collection, via the Supplier Payment Plan, of 1,236 million euro owed by certain clients in the Spain Environment and Construction divisions; a 112.7 million euro reduction in the amount drawn against non-recourse factoring lines with respect to 30 September 2011 with a view to reducing associated financial costs; and the typical seasonal increase in working capital in Construction, which is expected to decline notably by the end of the year, as is habitual.

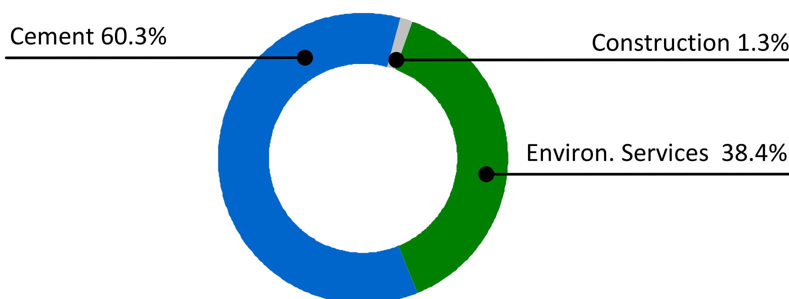
The breakdown of debt by business areas is in line with their nature, cash flow, and asset volume. Environmental Services accounted for 53.7% of net debt, connected to stable, regulated long-term public service contracts. Cement, a business which represents a large proportion of fixed assets on the balance sheet, accounted for 17.7% of total net debt. Construction accounted for 19.5% as a result of seasonal demand for operating finance, Versia for 1.4% and the Corporate area for just 7.7%.

Net debt by Area



Moreover, 2,068.7 million euro of net debt, i.e. 28.6% of the total, is without recourse. The breakdown of debt without recourse, by activity, is as follows:

Net debt without recourse, by area



It is important to note that all of the debt related to the Cement area is without recourse to the rest of FCC Group, as stipulated in the refinancing agreement for the area that was signed in July. The remaining debt with recourse is confined to the projects and assets it finances and corresponds almost entirely to water and waste management activities performed by Environmental Services.

5.5 Other current and non-current financial liabilities

The balance of other current and non-current financial liabilities amounts to 766.7 million euro and includes other financial liabilities not classified as interest-bearing debt, such as those linked to suppliers of property, plant and equipment (operation permits for urban furniture at Versia, amounting to 549 million euro), deposits and guarantees received, and stock options.

6. CASH FLOW

From continuing activities

(million euro)	Sept. 12	Sept. 11	Chg. (%)
Funds from operations	745.6	957.3	-22.1%
(Increase)/decrease in working capital	(354.4)	(1,103.6)	-67.9%
Other items (taxes, dividends, etc.)	(122.3)	(38.4)	N.A.
Operating cash flow	**268.9**	**(184.7)**	**N.A.**
Investing cash flow	(245.5)	(310.8)	-21.0%
Cash flow from business operations	**23.4**	**(495.5)**	**-104.7%**
Financing cash flow	(530.7)	(461.3)	15.0%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(141.0)	29.7	N.A.
(Increase) / decrease in net interest-bearing debt	**(648.2)**	**(927.1)**	**-30.1%**

6.1 Operating cash flow

Operating cash flow totalled 268.9 million euro in 9M12, compared with -184.7 million euro in 9M11. This notable improvement is attributable to the collection of outstanding accounts receivable from certain clients, concentrated in the Environment division in Spain. Additionally, the company registered the normal seasonal increase in working capital in the Construction area, concentrated mainly in Eastern European markets.

(million euro)	Sept. 12
Construction	(697.9)
Environmental services	249.2
Versia	7.9
Cement	24.5
Parent company and adjustments	61.9
(Increase)/decrease in working capital	**(354.4)**

The 249.2 million euro decline in working capital in the Environmental Services division reflects the impact of the collection of accounts receivable under the Supplier Payment Plan implemented by the Spanish central government in 2Q12. The 697.9 million euro increase in working capital in the construction area (835.6 million euro in 9M11) is due to the seasonal increase in operational funding needs and tends to decline considerably at the end of the year.

6.2 Investing cash flow

Operating cash flow totalled 245.5 million euro in 9M12, which reflects the divestment of Versia's airport handling business and, to a lesser extent, the ongoing rationalisation of capex and its adaptation to the pace of activity. Adjusting for this impact, capex in the period is on par with the same period last year.

FCC Citizen Services

The breakdown of net investments by activity is as follows:

(Investment/divestment, million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Environmental services	(114.3)	(184.0)	-37.9%
Construction	(93.3)	(51.3)	81.9%
Cement	(25.6)	(23.0)	11.3%
Versia	(5.2)	(52.8)	-90.2%
Parent company and adjustments	(7.1)	0.3	N.S.
Total	**(245.5)**	**(310.8)**	-21.0%

As a result, cash flow from business operations improved significantly with respect to 2011, amounting to 23.4 million euro in 2012, compared with -495.5 million euro in financing needs in 9M11.

6.3 Financing cash flow

Financing cash flow increased by 15% year-on-year, to 530.7 million euro. In addition to debt servicing, this item includes 150.7 million euro in dividend payments by the FCC Group parent company, and 52.6 million euro for the acquisition in 1Q12 of the remaining non-controlling interests (13.5%) in Alpine, in accordance with the agreement signed in 2011.

6.4 Other

This item, which increased by 141 million euro, mainly includes 155 million euro capex in FCC Energy during the year to build two solar thermal plants (50 MW each). The first one was commissioned in 1 November 2012.

7. BUSINESS PERFORMANCE

7.1 Environmental Services

7.1.1 Results

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Revenues	2,858.8	2,771.2	3.2%
Spain	*1,699.4*	*1,729.7*	*-1.8%*
International	*1,159.4*	*1,041.5*	*11.3%*
EBITDA	503.1	504.8	-0.3%
EBITDA margin	*17.6%*	*18.2%*	*-0.6 p.p.*
EBIT	271.7	266.7	1.9%
EBIT Margin	*9.5%*	*9.6%*	*-0.1 p.p.*

Environmental Services continued to perform well, with revenues increasing 3.2%, to 2,858.8 million euro, in 9M12. Revenues continued to expand sharply in international markets, by 11.3%, but fell slightly in Spain, by 1.8%.

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Revenues - Spain	1,699.4	1,729.7	-1.8%
Environment	*1,097.3*	*1,114.0*	*-1.5%*
Water	*501.7*	*495.9*	*1.2%*
Industrial Waste	*100.4*	*119.8*	-16.2%
Revenues - International	1,159.4	1,041.5	11.3%
Environment	*881.2*	*803.4*	9.7%
Water	*146.5*	*122.9*	19.2%
Industrial Waste	*131.7*	*115.2*	14.3%

International Water revenues expanded by 19.2%, attributable to the contribution from the contracts to operate desalination plants in Algeria and to progress with the end-to-end water management contracts in Fundao (Portugal) and Riyadh (Saudi Arabia).

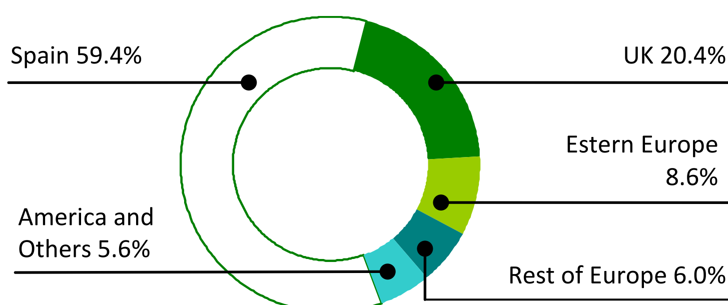
Revenues in the International Environment area rose by 9.7%, driven by progress in the construction of a new waste treatment plant in Lincolnshire (UK), increased use of the incineration plant in Allington (UK), and increased activity at ASA, where a soil decontamination project in the Czech Republic made a significant contribution.

Industrial Waste revenues continued to expand rapidly outside Spain, rising 14.3% driven by business in the US, offsetting the impact of the slowdown in industrial waste treatment in Spain (-16.2%).

International Revenue Breakdown			
(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
United Kingdom	583.7	516.3	13.1%
Eastern Europe	244.6	233.6	4.7%
Rest of Europe	170.2	163.0	4.4%
America and others	160.9	128.6	25.1%
Total	**1,159.4**	**1,041.5**	**11.3%**

The most important international markets are the UK (accounting for 20.4% of revenues), for municipal solid waste treatment and elimination; the rest of Europe (14.6%), primarily the Czech Republic and Austria, for municipal solid waste and end-to-end water management; and the US, for industrial waste management.

Revenue breakdown by geographic area



EBITDA declined by just 0.3% in 9M12, to 503.1 million euro, and the EBITDA margin was 17.6%, compared with 18.2% in 9M11, including several non-recurring items (sale of material and release of provisions) totalling 12 million euro. EBITDA in the Industrial Waste area fell in the period due to the decline in industrial activity in Spain and Portugal together with lower sales margins in the US.

The area's backlog amounted to 25,170 million euro, i.e. down 2.1% with respect to 2011 year-end, due primarily to the impact of budget adjustments by certain Environmental Services clients in Spain, where the backlog shrank by 2.7%. The international backlog (-0.9%) does not yet reflect the 350 million euro from the Buckinghamshire contract, which is expected to be formalised before the end of the year, or the renewal of waste management contracts in the UK and Eastern Europe.

Backlog breakdown by region

(million euro)	**Sept. 12**	**Dec. 11**	**Chg. (%)**
Spain	16,622.7	17,092.6	-2.7%
International	8,548.2	8,626.8	-0.9%
Total	**25,170.9**	**25,719.4**	**-2.1%**

7.1.2 Proactiva

Proactiva, the leading municipal waste and end-to-end water management company in Latin America, operates in the main countries in that region (Brazil, Chile, Mexico, Peru, Colombia, etc.). The group is owned 50% by FCC and is equity-accounted, in line with FCC accounting policy.

Proactiva's revenues in 9M12 totalled 399.3 million euro, i.e. an increase of 17.7% year-on-year. EBITDA amounted to 72.3 million euro, and the EBITDA margin was 18.1%. Net interest-bearing debt amounted to 111.1 million euro at 30 September.

7.1.3 Cash flow

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Funds from operations	**501.2**	**503.2**	**-0.4%**
(Increase) / decrease in working capital	249.2	(313.6)	-179.5%
Other items (taxes, dividends, etc.)	(52.0)	(47.2)	10.2%
Operating cash flow	**698.4**	**142.4**	**N.A.**
Investing cash flow	(114.3)	(184.0)	-37.9%
Cash flow from business operations	**584.1**	**(41.6)**	**N.A.**
Financing cash flow	(199.7)	(154.4)	29.3%
Other cash flow (exchange differences, change in consolidation scope, etc.)	30.2	16.6	82.2%
(Increase) / decrease in net interest-bearing debt	**414.5**	**(179.4)**	**N.A.**

(million euro)	**Sept. 12**	**Sept. 11**	**Change (M€)**
Net financial debt	**3,889.4**	**4,532.0**	**(642.6)**
With recourse	*3,094.6*	*3,723.0*	*(628.4)*
Without recourse	*794.8*	*809.0*	(14.2)

Operating cash flow totalled 698.4 million euro in 9M12, i.e. 556 million euro more than in 9M11, due primarily to the recovery of 249.2 million euro in working capital in the first nine months of the year, contrasting with an investment of 313.6 million euro in 2011. That recovery is the result of the collection of 991 million euro in outstanding invoices, most of them due from local governments in Spain and covered by the Spanish central government's Supplier Payment Plan. That amount also reduced non-recourse discounting of customer receivables with banks by 358 million euro, with the consequent reduction in future financial expenses.

Past-due accounts receivable from public sector clients totalled 600 million euro at the end of September, reflecting a notable improvement compared with the end of 2011. The gradual reduction of this item and its conversion into cash is one of the area's main objectives, made possible by the measures taken by the public administrations (adjustment plans and budget controls) together with additional initiatives planned in the future.

Net investments in the period, amounting to 114.3 million euro, were primarily for maintenance capex and fulfilment of operating contracts.

After applying financing cash flow and other changes, the area's net interest-bearing debt declined by 642.6 million euro (14.2%) with respect to 30 September 2011, to 3,889.4 million euro.

7.2 Construction

7.2.1 Results

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Revenues	4,439.6	4,654.4	-4.6%
Spain	*1,307.5*	*1,682.7*	*-22.3%*
International	*3,132.1*	*2,971.7*	*5.4%*
EBITDA	113.3	231.0	-51.0%
EBITDA margin	*2.6%*	*5.0%*	*-2.4 p.p.*
EBIT	52.0	157.9	-67.1%
EBIT Margin	*1.2%*	*3.4%*	*-2.2 p.p.*

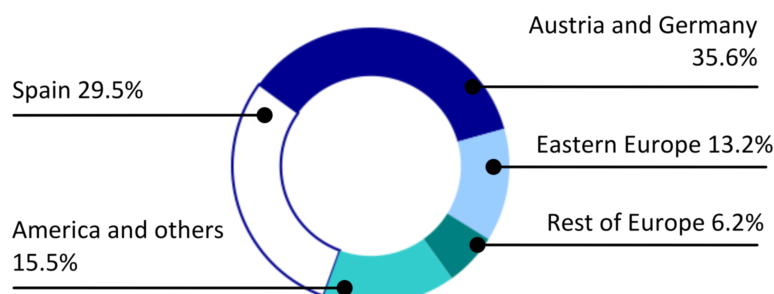
Revenue from the Construction area fell by 4.6% with respect to 9M11, to 4,439.6 million euro, due to the decline in activity in Spain (-22.3%) together with the effect of the gradual exit from certain international markets in Eastern Europe, with the result that the pace of international growth fell to 5.4%.

International Revenue Breakdown

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Austria and Germany	1,580.1	1,623.5	-2.7%
Eastern Europe	588.1	715.0	-17.7%
Rest of Europe	277.3	249.9	11.0%
America and others	686.6	383.3	79.1%
Total	**3,132.1**	**2,971.7**	**5.4%**

Revenues in America and other new markets expanded by 79.1%, due mainly to progress with major contracts, including the metro and road reorganisation in Panama. Revenues from the rest of Europe expanded by 11.0%, boosted by the execution of several projects, such as the tunnel for the London Underground, a thermal power plant in The Netherlands, and several projects in Norway, including a bridge, two tunnels and a section of railway. Revenues from Eastern Europe fell by 17.7% due to the gradual exit from certain countries.

Revenue breakdown by region



Civil engineering projects account for 57% of revenues, non-residential building for 20%, industrial services for 14% and residential building for 9%.

Revenue breakdown by segment			
(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Civil engineering	2,529.7	2,888.5	-12.4%
Non-residential building	898.5	829.7	8.3%
Industrial services	610.5	589.4	3.6%
Residential building	400.9	346.8	15.6%
Total	**4,439.6**	**4,654.4**	**-4.6%**

EBITDA declined by 51% y/y, to 113.3 million euro, due mainly to losses generated in the period from certain Alpine contracts and to the increase in costs associated with the gradual exit from specific markets. But for this extraordinary effect, EBITDA margin would have been of 4.8%, compared with 5% in the same period of 2011. This negative impact was highly offset by the application of corporate provisions charged in previous years associated to international expansion risks, amounting to 82.6 million euro.

The international backlog expanded by 3.8%, due to large contracts such as the road reorganisation project in Panama City (284 million euro), a railway contract in Transylvania, Romania (216 million euro), and extension of the Cañas-Liberia highway in Costa Rica (76 million euro). The backlog does not yet reflect major contracts, such as a hospital complex in Panama (416 million euro) and the construction of the Gerald Desmond bridge in the US (145 million euro).

Backlog breakdown by region			
(million euro)	**Sept. 12**	**Dec. 11**	**Chg. (%)**
Spain	3,878.2	4,610.2	-15.9%
International	5,095.1	4,908.0	3.8%
Total	**8,973.3**	**9,518.2**	**-5.7%**

At the end of 9M12, civil engineering and industrial services continued to account for the bulk of the backlog, i.e. 80.3% of the total, while non-residential building accounted for 11.4% and residential building for 8.3%.

Backlog breakdown by segment			
(million euro)	**Sept. 12**	**Dec. 11**	**Chg. (%)**
Civil engineering	6,598.9	6,601.2	0.0%
Non-residential building	1,020.1	1,913.0	-46.7%
Industrial services	602.5	653.0	-7.7%
Residential building	751.8	351.0	114.2%
Total	**8,973.3**	**9,518.2**	**-5.7%**

7.2.2 Cash flow

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Funds from operations	**189.0**	**274.7**	**-31.2%**
(Increase) / decrease in working capital	(697.9)	(835.6)	-16.5%
Other items (taxes, dividends, etc.)	(10.6)	(51.7)	-79.5%
Operating cash flow	**(519.5)**	**(612.6)**	**-15.2%**
Investing cash flow	(93.3)	(51.3)	81.9%
Cash flow from business operations	**(612.8)**	**(663.9)**	**-7.7%**
Financing cash flow	(143.5)	(85.9)	67.1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	(0.6)	65.8	-100.9%
(Increase) / decrease in net interest-bearing debt	**(756.9)**	**(684.1)**	**10.6%**

(million euro)	**Sept. 12**	**Sept. 11**	**Change (M€)**
Net financial debt	**1,412.9**	**1,203.7**	**209.2**
With recourse	*1,386.8*	*1,203.0*	*183.8*
Without recourse	*26.1*	*0.7*	25.4

This area's operating cash flow totalled -519.5 million euro, a 15.2% improvement with respect to 9M11, due mainly to the 137.7 million euro decline in working capital. It is important to note the pronounced seasonal nature of working capital, which tends to decline considerably in the fourth quarter.

Investing cash flow totalled 93.3 million euro, vs. 51.3 million euro in 9M11.

After applying financing cash flow and other changes, the area's net debt increased by 209.2 million euro with respect to 30 September 2011, to 1,412.9 million euro.

Citizen Services

7.3 Cement

7.3.1 Results

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Revenues	505.0	585.6	-13.8%
Spain	*253.6*	*392.6*	*-35.4%*
International	*251.4*	*193.0*	*30.3%*
EBITDA	65.2	134.8	-51.6%
EBITDA margin	*12.9%*	*23.0%*	*-10.1 p.p.*
EBIT	(70.2)	31.6	N.A.
EBIT margin	*-13.9%*	*5.4%*	*-19.3 p.p.*

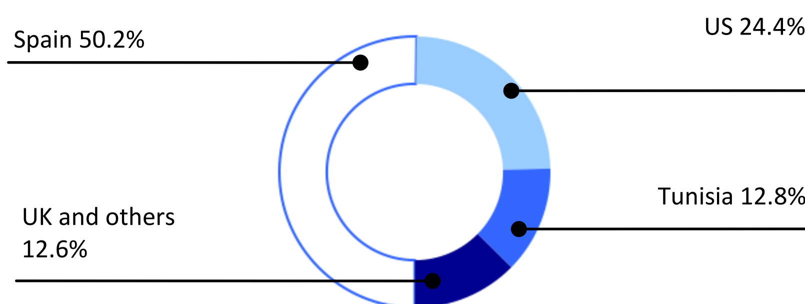
Revenues in the Cement area amounted to 505 million euro in the first nine months of 2012, down 13.8% year-on-year. Revenues from outside Spain expanded by a notable 30.3%, to account for 50% of the total. In Spain, the 35.4% decline in revenues is attributable to a decrease in domestic cement consumption, due mainly to less investment in civil engineering.

International Revenue Breakdown

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
United States	123.4	103.4	19.3%
Tunisia	64.6	48.0	34.7%
UK and others	63.4	41.7	52.3%
Total	**251.4**	**193.0**	**30.3%**

Revenues in the US expanded by 19.3%, driven by the gradual recovery in residential construction, while the 34.7% growth in Tunisia was due to the favourable comparison with the 9M11 results, which were affected by socio-political tensions in the Maghreb region. Exports expanded by 52.3%, especially to Algeria.

Revenue breakdown by region



EBITDA declined by 51.6% to 65.2 million euro and the EBITDA margin fell by 10 percentage points, to 12.9%. This was due to a combination of falling business volume in Spain, higher energy costs, lower revenues from electrical interruptibility of the cement factories, and the sale of emission rights in the period.

It is important to note that the New Val operational restructuring plan, which aims to restore profitability in this area by adjusting cement capacity in Spain, is being implemented in the second half of 2012; consequently, its impact is not yet visible. The strategy seeks to increase EBITDA by 80 million euro starting in 2013.

The negative EBIT (-70.2 million euro) includes 34 million euro in restructuring costs as part of the new operating plan as well as 13.5 million euro for the depreciation and amortisation of assets in the US in 2H11, after reclassification as continuing operations this year.

7.3.2 Cash flow

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Funds from operations	**34.8**	**104.5**	**-66.7%**
(Increase) / decrease in working capital	24.5	(45.8)	N.A.
Other items (taxes, dividends, etc.)	5.1	(8.0)	-163.7%
Operating cash flow	**64.4**	**50.7**	**27.0%**
Investing cash flow	(28.4)	(23.0)	N.A
Cash flow from business operations	**36.0**	**27.7**	**29.9%**
Financing cash flow	(58.7)	(64.5)	-8.9%
Other cash flow (exchange differences, change in consolidation scope, etc.)	29.0	30.3	-4.3%
(Increase) / decrease in net interest-bearing debt	**6.3**	**(6.4)**	**N.A.**

(million euro)	**Sept. 12**	**Sept. 11**	**Change (M€)**
Net interest-bearing debt	**1,278.7**	**1,293.9**	**(15.2)**
With recourse	*0*	*0*	0
Without recourse	*1,278.7*	*1,293.9*	(15.2)

Operating cash flow increased 27% in 9M12, to 64.4 million euro, due primarily to the recovery in working capital, which completely offset the decline in funds from operations.

Investing cash flow amounted to 28.4 million euro, in line with the first nine months of 2011, and was focused on increasing the use of alternative fuels and raw materials and developing new products. At the end of the first nine months of 2012, the fossil fuel replacement rate was 20.7%, compared with 13.4% at the end of 2011.

After applying financing cash flow and other changes, the area's net interest-bearing debt decreased by 1.2% with respect to 30 September 2011, to 1,278.7 million euro.

All of the Cement area's net interest-bearing debt is without recourse to FCC Group, as controlling shareholder with a 70% stake, as stipulated in the refinancing contracts signed in July. Linked to the fulfillment of such contracts, FCC has committed a warranty capital up to 200 million euro in favor of CPV, the area head company.

7.4 Versia

7.4.1 Results

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Revenues	455.7	570.8	-20.2%
Spain	*278.5*	*377.3*	-26.2%
International	*177.2*	*193.5*	-8.4%
EBITDA	46.4	83.0	-44.1%
EBITDA margin	*10.2%*	*14.5%*	*-4.4 p.p.*
EBIT	29.9	11.1	168.7%
EBIT margin	*6.6%*	*1.9%*	*4.6 p.p.*

Revenues from urban services (Versia) amounted to 455.7 million euro in 9M12, a year-on-year reduction of 20.2% due both to declining business in Spain and to the divestment of the on-street parking business at the end of 2011 and of the handling business in the third quarter of 2012. Excluding that effect, revenues would have declined by 8.7% in like-for-like terms.

Breakdown of revenues by business

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Logistics	189.3	205.6	-7.9%
Handling	151.8	182.5	-16.9%
Urban Furniture	87.5	91.6	-4.5%
Others*	27.1	91.0	-70.2%
Total	**455.7**	**570.8**	**-20.2%**

***Others include SVAT, Maintenance-Systems and Car Parks, the latter divested in 2011*

Revenues reflect the impact of the widespread decline in consumer spending, particularly in Spain, Portugal and Italy, in all areas of this division.

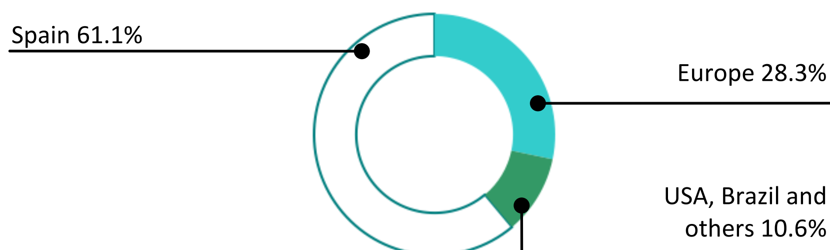
On 11 September, FCC completed the sale of the Handling business for 128.3 million euro and the earnings from that activity are included only until 31 August. Excluding that effect, revenues would have declined by 5.5% in the first eight months of 2012.

International Revenue Breakdown

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Europe	128.9	155.0	-16.8%
US, Brazil and others	48.3	38.5	25.5%
Total	**177.2**	**193.5**	**-8.4%**

Revenues in Spain accounted for 61.1% of the total. The international component is particularly important in Urban Furniture with 64.1% that come basically from the USA, Portugal and Brazil. Revenues in the USA, Brazil and other countries increased by 25.5%, boosted by good performance in the New York urban furniture contract.

Revenue breakdown by region



EBITDA totalled 46.4 million euro in the first nine months of 2012, down 44.1%. Excluding the effect of the sale of the on-street parking business at the end 2011 and the handling business in 3Q12, EBITDA would have declined by 30.3% in like-for-like terms. That reduction is attributable mainly to the decline in the margin in Urban Furniture caused by a sharp decrease in ad space occupancy in Spain and Portugal.

7.4.2 Cash flow

(million euro)	**Sept. 12**	**Sept. 11**	**Chg. (%)**
Funds from operations	**43.4**	**81.1**	**-46.5%**
(Increase) / decrease in working capital	7.9	(9.1)	-186.8%
Other items (taxes, dividends, etc.)	17.0	(15.2)	-211.8%
Operating cash flow	**68.3**	**56.8**	**20.2%**
Investing cash flow	(5.2)	(52.8)	-90.2%
Cash flow from business operations	**63.1**	**4.0**	**N.A.**
Financing cash flow	(0.2)	(21.4)	-99.1%
Other cash flow (exchange differences, change in consolidation scope, etc.)	28.2	24.5	15.1%
(Increase) / decrease in net interest-bearing debt	**91.1**	**7.0**	**N.A.**

(million euro)	**Sept. 12**	**Sept. 11**	**Change (M€)**
Net interest-bearing debt	**98.4**	**283.8**	**(185.4)**
With recourse	*98.4*	*283.8*	(185.4)
Without recourse	*0.0*	*0.0*	0.0

Operating cash flow amounted to 68.3 million euro in 9M12, up 20.2%, due to the recovery in working capital and lower taxes, which offset the decline in funds from operations.

After applying financing cash flow and other changes, the area's net interest-bearing debt declined by 185.4 million euro with respect to 30 September 2011, to 98.4 million euro.

8. SHARE DATA

8.1 Share performance

	Jan. – Sept. 2012	Jan. -Sept. 2011
Closing price (euro)	10.15	18.60
Appreciation	*(49.4%)*	*(5.4%)*
*Yield**	*(42.9%)*	*1.9%*
High (euro)	20.30	23.95
Low (euro)	7.15	15.11
Average daily trading (shares)	510,246	624,669
Average daily trading (million euro)	6.5	12.6
M. Cap. at end of period (million euro)	1,292	2,368
No. of shares outstanding	127,303,296	127,303,296
Basic EPS	0.35	1.55

*Includes dividend payment.

8.2 Dividends

At a meeting on 15 December 2011, the Board of Directors declared an interim dividend of 0.65 euro gross per share charged to 2011 income; it was paid on 10 January 2012.
Subsequently, in accordance with the decision by the General Meeting of Shareholders on 31 May 2012, the supplementary 2011 dividend, amounting to 0.65 euro gross per share, was paid on 13 July 2012.

8.3 Own shares

As of 30 September 2012, the FCC Group held a total of 12,707,860 own shares directly and indirectly (9.982% of the company's capital).

Almost all of the own shares are held to cover the risk of shareholder dilution arising from a 450 million euro convertible bond issued in October 2009. The Extraordinary Shareholders' Meeting of 30 November 2009 approved a programme to buy back shares of the Company for the sole purposes of:

- Meeting obligations to deliver own shares as a result of the convertible bond issue.
- Reducing capital by amortising shares acquired under the programme or already held in treasury stock.

In view of the number of own shares held at the end of September 2012 and the number of shares needed to cover the potential conversion of bonds (i.e. 9.33% of capital stock), the risk of shareholder dilution as a result of the convertible bond issue is entirely eliminated.

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10. CONTACT DETAILS

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